



# **ARIZONA DEPARTMENT OF REVENUE**

## **MEMORANDUM**

**DATE:** November 18, 2008

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

### ***September 2008 TAX FACTS***

#### **SUMMARY OF GENERAL FUND REVENUES**

	<b><u>September 2008</u></b>	<b><u>Fiscal Year Total</u></b>
<b>Individual Income Tax</b>		
Net Collections	\$ 294,737,101	\$ 670,473,701
Percent Change	(3.4)	(7.8)
<b>Corporate Income Tax</b>		
Net Collections	\$ 132,083,502	\$ 174,529,171
Percent Change	(25.6)	(27.4)
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$ 342,275,305	\$ 1,043,707,764
Change	(6.7)	(7.3)
<b>Total Big Three Tax Types</b>		
Net Collections	\$ 769,095,908	\$1,888,710,636
Percent Change	(9.5)	(9.8)

December 2007 was the first month that the department used a new computer system to process individual income tax. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available it will be sent out.

We apologize for any inconvenience this may cause.

# TAX FACTS

## September 2008

### INDIVIDUAL INCOME TAX

#### Individual Income Tax Receipts

	September 2008	September 2007	% Change
Gross Collections	\$ 124,307,996	\$ 150,661,494	(17.5)
Withholding	256,366,911	237,285,048	8.0
Refunds	(25,278,023)	(25,682,232)	(1.6)
Urban Revenue Sharing	(60,639,783)	(57,044,911)	6.3
<b>Net Collections</b>	<b>\$ 294,757,101</b>	<b>\$ 305,219,399</b>	<b>(3.4)</b>

  

	Fiscal Year Total (07/08)	Fiscal Year Total (06/07)	% Change
Gross Collections	\$ 158,761,036	\$ 194,479,382	(18.4)
Withholding	773,973,559	787,261,198	(1.7)
Refunds	(80,341,544)	(83,773,331)	(4.1)
Urban Revenue Sharing	(181,919,350)	(171,134,732)	6.3
<b>Net Collections</b>	<b>\$ 670,473,701</b>	<b>\$ 726,832,517</b>	<b>(7.8)</b>

#### Federal Employee Retirement Contribution Project (FERC)

Kerr vs. ADOR or FERC, a Supreme Court tax settlement case has resulted in the distribution of six refunds to individual income taxpayers during September 2008. These refunds totaled \$8,679 for an average of \$1,447. Attorney payments are not included in the refund amount and total \$2,170 for the month. Refunds issued as a result of the FERC case are not included in the total refunds listed in neither the "Individual Income Tax Receipts" section above nor the "Average Individual Income Tax Refund" section later mentioned in this publication.

\*The amount shown as refunded may differ from AFIS totals due to timing issues.

#### Average Individual Income Tax Refund

Net of Ladewig and FERC refunds.

	Average	Number
2008 CYTD	\$ 686.24	1,764,393
2007 CYTD	\$ 636.60	1,687,392
<b>% Change</b>	<b>7.8</b>	<b>4.6</b>

#### Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2006 through March 2007, \$907.1 million was received for the first quarter of 2006. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2007, which shows an increase of 5.00% in withholding payments over the third quarter of 2006. Growth in quarters for which information is still being gathered is as follows:

4 <sup>th</sup> Quarter 2007	(1.94%)	2 <sup>nd</sup> Quarter 2008	1.67%
1 <sup>st</sup> Quarter 2008	(0.25%)	3 <sup>rd</sup> Quarter 2008	1.16%

The current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

## **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for returns filed in 2008.

	<b>September 2008</b>	<b>Calendar Year Total</b>
Check Off	\$ 62,020	\$ 6,094,900
Voluntary Donation	\$ 482	\$ 51,722
Number of Returns	8,150	850,650

## **Contributions on the Individual Income Tax Return**

Through September 2008, individual income tax return filers have made the following contributions:

	<b>Number</b>	<b>Amount</b>	<b>Average</b>
Wildlife	11,168	\$ 239,507	\$ 21.45
Child Abuse	11,388	251,258	22.06
Special Olympics	5,165	99,862	19.33
Neighbors Helping	3,022	53,086	17.57
AID to Education	800	102,346	127.93
Domestic Violence Shelter	8,407	190,773	22.69
National Guard Contributions	4,883	125,497	25.70
Veteran's Fund	3,141	68,938	21.95
Democratic Party	1,149	28,497	24.80
Republican Party	632	15,443	24.44
Green Party	28	557	19.89
Libertarian Party	80	1,952	24.40

## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	<b>September 2008</b>	<b>September 2007</b>	<b>% Change</b>
Gross Collections	\$141,909,038	\$190,463,885	(25.5)
Refunds	(\$9,825,536)	(\$12,876,823)	(23.7)
<b>Net Collections</b>	<b>\$132,083,502</b>	<b>\$177,587,062</b>	<b>(25.6)</b>

  

	<b>Fiscal Year Total</b>	<b>Prior Fiscal Year Total</b>	<b>% Change</b>
Gross Collections	\$200,216,382	\$258,325,043	(22.5)
Refunds	(\$25,687,211)	(\$17,834,110)	44.0
<b>Net Collections</b>	<b>\$174,529,171</b>	<b>\$240,490,933</b>	<b>(27.4)</b>

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

September 2008	\$127,737,011	Calendar Year Total	\$491,061,766
September 2007	\$177,731,812	Calendar Year Total	\$557,793,469
% Change	(28.1%)	% Change	(12.0%)

All corporations with an income tax liability of \$20,000 or greater are required to make estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment.

<b>Size of Payment →</b>	<b>Less than \$50,000</b>	<b>\$50,000 up to \$100,000</b>	<b>\$100,001 up to \$500,000</b>	<b>\$500,001 up to \$1,000,000</b>	<b>\$1,000,001 up to \$10,000,000</b>	<b>\$10,000,001 and more</b>	<b>Total</b>	<b>% chg</b>
<b>September 2008</b>	580	109	131	18	19	1	858	(6.6)
<b>September 2007</b>	637	99	124	35	23	1	919	
<b>CY 2008</b>	2,567	385	465	82	65	3	3,567	(5.7)
<b>CY 2007</b>	2,724	400	477	95	85	1	3,782	

The next table shows the dollars of eft estimated payments received from those counts above.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,001 up to \$500,000	\$500,001 up to \$1,000,000	\$1,000,001 and more	Total	% chg
September 2008	\$7,306,367	\$7,246,364	\$29,527,048	\$12,125,300	\$47,224,100	\$103,429,179	(24.1)
September 2007	\$8,383,477	\$7,189,862	\$27,573,024	\$24,104,277	\$69,037,030	\$136,287,670	
CY 2008	\$30,572,757	\$26,410,014	\$104,107,337	\$57,492,855	\$192,828,683	\$411,411,646	(8.9)
CY 2007	\$34,657,025	\$28,260,487	\$108,682,538	\$65,822,267	\$214,217,692	\$451,640,009	

### **Corporate Refunds:**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 07/08 by corporate fiscal year. For example, in FY 07/08, 22.7% of the refund dollars paid were for corporate fiscal years ending in 2003 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	03 & Prior	04	05	06	07	08
FY 07/08	22.7%	4.7%	3.2%	57.2%	10.8%	1.4%
Corporate Fiscal Year-End:	04 & Prior	05	06	07	08	09
FY 08/09	14.3%	5.6%	19.5%	56.2%	4.4%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year.

September 2008	\$7,398,736	Calendar Year Total	\$116,794,331
September 2007	\$13,363,195	Calendar Year Total	\$69,389,168
% Change	(44.6%)	% Change	68.3%

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 124,953 corporate returns showing a fiscal year-end of 2006. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	221	36,461	75,661	513	12,097
%	0.2	29.2	60.5	0.4	9.7

Through September 2008, 105,670 documents were received for a fiscal year-end of 2007, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	138	28,080	65,979	389	11,084
%	0.1	26.6	62.4	0.4	10.5

The figures for the 2007 returns are most meaningful when compared to 2006 returns received during the same period of time in the previous year. Through September 2007, the Department of Revenue received 97,897 documents with a fiscal year-end of 2006. Compared to 2007 documents, the Department has seen a 7.9% increase in the number of corporate returns processed at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2007/08 is 15.0 of net proceeds from Fiscal Year 2005/06 income tax. Amounts returned for September 2008 are shown on Table 2, at the end of this report.

## TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared. At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications.

The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	September 2008	September 2007	% change
Distribution Base	\$136,829,482	\$145,131,324	(5.7)
Non shared	266,933,990	287,350,016	(7.1)
Use Tax	28,148,827	29,437,063	(4.4)
Education Tax	50,027,475	53,803,373	(7.0)
Other Revenues	62,009,338	65,768,661	(5.7)
<b>Total Collections</b>	<b>\$543,949,112</b>	<b>\$581,490,438</b>	<b>(6.5)</b>

  

	Fiscal Year Total (08/09)	Fiscal Year Total (07/08)	% change
Distribution Base	\$411,485,826	\$446,188,312	(7.8)
Non shared	811,435,780	882,628,921	(8.1)
Use Tax	90,350,523	89,840,980	0.6
Education Tax	152,522,432	165,173,935	(7.7)
Other Revenues	188,862,066	202,452,404	(6.7)
<b>Total Collections</b>	<b>\$1,654,656,626</b>	<b>\$1,786,284,552</b>	<b>(7.4)</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained by State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	September 2008	September 2007	% change
Retained by State	\$342,275,305	\$366,842,873	(6.7)
Returned to Counties	55,429,623	58,792,700	(5.7)
Returned to Cities	34,207,370	36,282,831	(5.7)
Education Tax	50,027,475	53,803,373	(7.0)
Other Revenues	62,009,338	65,768,661	(5.7)
<b>Total Collections</b>	<b>\$543,949,112</b>	<b>\$581,490,438</b>	<b>(6.5)</b>

  

	Fiscal Year Total (08/09)	Fiscal Year Total (07/08)	% change
Retained by State	\$1,043,707,764	\$1,126,360,250	(7.3)
Returned to Counties	166,692,908	180,750,885	(7.8)
Returned to Cities	102,871,456	111,547,078	(7.8)
Education Tax	152,522,432	165,173,935	(7.7)
Other Revenues	188,862,066	202,452,404	(6.7)
<b>Total Collections</b>	<b>\$1,654,656,626</b>	<b>\$1,786,284,551</b>	<b>(7.4)</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>September 2008</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting	5.6	\$ 189,717	(14.6)	\$ 587,769	(10.0)
Non-Metal Mining	3.125	508,423	(47.8)	1,387,158	(36.4)
Oil/Gas					
Utilities	5.6	51,794,529	15.6	148,832,868	12.6
Communications	5.6	10,547,433	(28.1)	39,579,433	(12.6)
Private Car/Pipelines	5.6	13,218	N/A	23,460	N/A
Publishing	5.6	286,200	(57.2)	1,110,237	(39.4)
Job Printing	5.6	1,269,904	(24.2)	3,985,061	(20.1)
Restaurants & Bars	5.6	35,989,530	(0.8)	107,693,115	(4.0)
Amusements	5.6	3,715,435	1.7	12,838,829	0.7
Commercial Lease	0	2	N/A	21	N/A
Rental of Personal Property	5.6	14,944,931	(5.2)	46,025,128	(5.1)
Contracting	5.6	70,981,300	(19.3)	226,019,700	(18.1)
Retail	5.6	201,120,503	(5.9)	598,457,815	(8.4)
Mining Severance	2.5	4,038,101	13.0	10,170,058	(13.2)
Timber Severance*	0	(266)	N/A	(267)	N/A
Hotel/Motel	5.5	7,960,997	(0.3)	24,905,883	(0.9)
Membership Camping*	0	(2)	(75.8)	(9)	N/A
Use Tax	5.6	28,148,827	(4.4)	90,350,523	0.6
Rental Occupancy Tax*	0	(57)	N/A	(110)	N/A
Jet Fuel		321,638	(24.8)	993,271	(27.2)
Jet Fuel Use Tax	.0305/.0105 gal	36,286	(11.5)	86,907	(37.4)
Telecomm Devices	----	533,696	(0.1)	1,600,440	(5.5)
911 Telecommunications		1,335,907	(6.4)	4,355,049	50.5
911 Wireline	0.20/month per active service	957	N/A	1,558	N/A
911 Wireless	0.20/month per active service	(0)	N/A	(6,936)	N/A
<b>Total</b>		<b>\$ 433,737,207</b>	<b>(6.5)</b>	<b>\$ 1,318,996,960</b>	<b>(7.4)</b>

\*As of 11/1/06, these categories are no longer subject to county and state tax.

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>September 2008</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting	\$3,797,704	(14.8)	\$11,767,460	(10.1)
Non-Metal Mining Oil/Gas	16,276,583	(47.9)	44,434,815	(36.4)
Utilities	1,036,193,573	15.5	2,978,028,445	12.6
Communications	211,054,047	(28.2)	792,086,823	(12.7)
Private Car/Pipelines	264,795	N/A	472,403	N/A
Publishing	5,729,357	(57.2)	22,225,747	(39.4)
Job Printing	25,408,387	(24.3)	79,757,913	(20.2)
Restaurants & Bars	720,049,594	(1.0)	2,155,145,289	(4.1)

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

### **Transaction Privilege and Severance Tax Taxable Sales By Class continued**

	September 2008	% Chg	Fiscal Year Total	% Chg
Amusements	74,342,135	1.5	256,922,989	0.6
Commercial Lease	53	N/A	692	N/A
Rental of Personal Property	299,007,041	(5.3)	921,055,793	(5.2)
Contracting	1,420,280,117	(19.4)	4,523,827,733	(18.1)
Retail	4,023,998,634	(6.1)	11,976,948,687	(8.5)
Mining Severance	161,594,357	12.8	407,108,550	(13.3)
Timber Severance*	(175)	N/A	(175)	N/A
Hotel/Motel	144,794,020	(0.5)	453,106,351	(1.0)
Membership Camping*	0	N/A	0	N/A
Use Tax	563,481,782	(4.7)	1,814,674,982	0.6
Rental Occupancy Tax*	(1,947)	N/A	(3,806)	N/A
<b>Total</b>	<b>\$8,706,270,058</b>	<b>(6.6)</b>	<b>\$26,437,560,692</b>	<b>(7.5)</b>

\*As of 11/1/06, these categories are no longer subject to county and state tax.

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for September 2008 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 393,655	0.7	\$ 1,202,936	(3.2)
Coconino	1,470,581	2.7	4,443,081	(7.9)
Cochise	958,954	1.8	2,936,906	(7.4)
Gila	449,669	0.8	1,313,898	(5.8)
Graham	315,895	0.6	904,098	2.1
Greenlee	344,067	0.6	1,049,968	(24.6)
La Paz	141,455	0.3	435,425	(6.8)
Maricopa	35,153,029	64.7	105,711,715	(8.1)
Mohave	1,645,085	3.0	5,061,697	(6.7)
Navajo	875,766	1.6	2,700,991	(4.6)
Pima	7,969,468	14.7	23,879,899	(7.8)
Pinal	1,859,300	3.4	5,587,167	(6.5)
Santa Cruz	363,687	0.7	1,103,415	(5.6)
Yavapai	2,061,858	3.8	6,052,974	(8.9)
Yuma	1,427,153	2.6	4,308,741	(3.1)
<b>Total</b>	<b>\$ 55,429,623</b>		<b>\$ 166,692,908</b>	<b>(7.8)</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for September 2008 is shown on Table 3, attached to this report.

### **County Tax Collections**

The county-imposed tax collections received by the Department of Revenue during September 2008 and returned to the counties are shown on Table 4, attached to this report. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in September 2008. The table compares the receipts to September 2007 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>September 2008</b>		<b>September 2007</b>		<b>% Change</b>
Spirituous	\$	2,085,840	\$	2,669,962	(21.9)
Vinous		878,576		1,134,750	(22.6)
Malt		1,805,662		2,157,128	(16.3)
Cigarette		33,261,386		38,521,755	(13.7)
Other Tobacco		1,075,406		1,482,263	(27.4)
Tobacco Licenses		525		400	31.3
<b>Total</b>	<b>\$</b>	<b>39,107,395</b>	<b>\$</b>	<b>45,966,259</b>	<b>(14.9)</b>

  

	<b>Fiscal Year (08/09)</b>		<b>Fiscal Year (07/08)</b>		<b>% Change</b>
Spirituous	\$	6,561,683	\$	5,958,704	10.1
Vinous		2,702,280		2,531,982	6.7
Malt		5,666,060		6,133,995	(7.6)
Cigarette*		96,746,420		101,690,960	(4.9)
Other Tobacco		3,599,477		4,171,198	(13.7)
Tobacco Licenses		1,575		1,450	8.6
<b>Total</b>	<b>\$</b>	<b>115,277,494</b>	<b>\$</b>	<b>120,488,289</b>	<b>(4.32)</b>

\*Through September 2008, \$401,852.28 of cigarette and tobacco tax collections have been allocated for administrative expenses and are not included in the cigarette collections above.

### **General fund revenues from luxury taxes:**

	<b>September 2008</b>		<b>FY 08/09</b>	
Spirituous	\$	1,460,088	\$	4,593,178
Vinous		219,644		675,569
Malt		451,416		1,416,515
Cigarette		2,669,063		7,772,403
Other Tobacco		48,393		161,977
Tobacco Licenses		525		1,575
<b>Total</b>	<b>\$</b>	<b>4,849,128</b>	<b>\$</b>	<b>14,621,216</b>



**Other dedicated revenues from luxury taxes:**

	<b>September 2008</b>		<b>FY08/09</b>
Corrections Fund	\$	2,141,313	\$ 6,630,033
Tobacco Tax & Health Care Fund <sup>2</sup>		6,846,979	19,987,458
Tobacco Products Tax Fund <sup>3</sup>		10,270,468	29,981,188
Drug Treatment & Education Fund		629,172	1,965,619
Corrections Rev. Fund		250,472	782,634
Smoke Free Arizona Fund <sup>4</sup>		333,633	971,550
Early Childhood Development and Health Fund <sup>5</sup>	\$	13,786,230	\$ 40,337,796

**Estate Tax**

	<b>Monthly</b>		<b>FYTD</b>
September-08	\$	(18,466)	\$ 4,196
September-07	\$	-	\$ 254,076
% change		<b>N/A</b>	<b>N/A</b>

**Bingo Tax**

	<b>Monthly</b>		<b>FYTD</b>
September-08	\$	35,589	\$ 126,031
September-07	\$	35,913	\$ 135,126
% change		<b>(0.9)</b>	<b>(6.7)</b>

**Unclaimed Property**

	<b>Monthly</b>		<b>FYTD</b>
September-08	\$	1,915,923	\$ 2,571,882
September-07	\$	2,710,677	\$ 18,216,986
% change		<b>(29.3)</b>	<b>(85.9)</b>

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

<sup>2</sup> Formerly the Health Care Fund

<sup>3</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

<sup>4</sup> This Fund was created by Prop. 201, which increased cigarette tax rates in December 2006.

<sup>5</sup> This Fund was created by Prop. 203, which increased cigarette & other tobacco products tax rates in December 2006.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**September 2008**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Surprise	1,089,993	88,265
Eagar	\$55,307	4,435	Tempe	2,069,287	165,796
St. Johns	48,206	3,865	Tolleson	80,831	6,498
Springerville	25,772	2,065	Wickenburg	75,688	6,077
<b><u>Cochise County</u></b>			Youngtown	76,293	6,163
Benson	59,198	4,740	<b><u>Mohave County</u></b>		
Bisbee	81,957	6,570	Bullhead City	476,291	38,210
Douglas	214,625	17,195	Colorado City	50,799	4,080
Huachuca City	22,840	1,830	Kingman	321,742	25,860
Sierra Vista	544,418	43,690	Lake Havasu City	664,924	53,435
Tombstone	20,086	1,610	<b><u>Navajo County</u></b>		
Willcox	48,492	3,885	Holbrook	67,650	5,425
<b><u>Coconino County</u></b>			Pinetop-Lakeside	51,896	4,165
Flagstaff	762,420	61,185	Show Low	122,991	9,885
Fredonia*	18,635	1,500	Snowflake	61,537	4,935
Page	88,741	7,110	Taylor	51,010	4,100
Williams	39,216	3,145	Winslow	122,774	9,835
<b><u>Gila County</u></b>			<b><u>Pima County</u></b>		
Globe	93,613	7,495	Marana	330,945	26,725
Hayden*	18,603	1,500	Oro Valley	490,498	39,400
Miami	24,414	1,955	Sahuarita	172,406	13,990
Payson	192,333	15,430	South Tucson	70,290	5,630
Star Valley	24,620	2,006	Tucson	6,607,643	529,770
Winkelman*	18,506	1,500	<b><u>Pinal County</u></b>		
<b><u>Graham County</u></b>			Apache Junction	425,055	34,070
Pima	27,212	2,182	Casa Grande	403,987	32,470
Safford	116,882	9,360	Coolidge	102,085	8,180
Thatcher	56,716	4,550	Eloy	138,792	11,125
<b><u>Greenlee County</u></b>			Florence	255,278	20,530
Clifton*	32,425	2,596	Kearny	28,091	2,249
Duncan	18,586	1,500	Mammoth	22,008	1,762
<b><u>La Paz County</u></b>			Maricopa	195,562	15,934
Parker	40,938	3,280	Superior	40,643	3,254
Quartzsite	44,912	3,600	<b><u>Santa Cruz County</u></b>		
<b><u>Maricopa County</u></b>			Nogales	272,457	21,830
Avondale	859,011	69,356	Patagonia*	18,601	1,500
Buckeye	313,658	25,406	<b><u>Yavapai County</u></b>		
Carefree	45,850	3,684	Camp Verde	133,743	10,730
Cave Creek	59,303	4,766	Chino Valley	153,040	12,325
Chandler	2,871,546	230,845	Clarkdale	45,908	3,680
El Mirage	394,593	32,061	Cottonwood	135,280	10,860
Fountain Hills	304,989	24,492	Dewey-Humboldt	49,461	4,030
Gila Bend	24,731	1,980	Jerome*	18,481	1,500
Gilbert	2,202,851	177,544	Prescott	507,747	40,770
Glendale	3,022,151	242,369	Prescott Valley	417,183	33,575
Goodyear	571,288	46,213	Sedona	136,420	10,935
Guadalupe	69,313	5,555	<b><u>Yuma County</u></b>		
Litchfield Park	56,400	4,528	San Luis	284,751	22,930
Mesa	5,585,935	448,096	Somerton	121,241	9,750
Paradise Valley	173,110	13,863	Wellton	24,575	1,970
Peoria	1,718,984	138,143	Yuma	1,112,937	89,306
Phoenix	18,400,025	1,475,834			
Queen Creek	202,390	16,414			
Scottsdale	2,925,169	234,752	<b>TOTAL</b>	<b>\$60,639,783</b>	<b>4,869,189</b>

\*Population adjusted to reflect minimum requirement of 1,500 per HB 2391, Chapter 290, 2<sup>nd</sup> Regular Session, 2008.

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**September 2008**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Surprise	620,658	88,265
Eagar	\$31,186	4,435	Tempe	1,165,838	165,796
Springerville	14,521	2,065	Tolleson	45,692	6,498
St. Johns	27,178	3,865	Wickenburg	42,732	6,077
<b><u>Cochise County</u></b>			Youngtown	43,337	6,163
Benson	33,331	4,740	<b><u>Mohave County</u></b>		
Bisbee	46,199	6,570	Bullhead City	268,684	38,210
Douglas	120,911	17,195	Colorado City	28,690	4,080
Huachuca City	12,868	1,830	Kingman	181,841	25,860
Sierra Vista	307,218	43,690	Lake Havasu City	375,742	53,435
Tombstone	11,321	1,610	<b><u>Navajo County</u></b>		
Willcox	27,318	3,885	Holbrook	38,147	5,425
<b><u>Coconino County</u></b>			Pinetop/Lakeside	29,287	4,165
Flagstaff	430,238	61,185	Show Low	69,509	9,885
Fredonia	7,805	1,110	Snowflake	34,702	4,935
Page	49,996	7,110	Taylor	28,830	4,100
Williams	22,115	3,145	Winslow	69,157	9,835
<b><u>Gila County</u></b>			<b><u>Pima County</u></b>		
Globe	52,703	7,495	Marana	187,924	26,725
Hayden	6,272	892	Oro Valley	277,051	39,400
Miami	13,747	1,955	Sahuarita	98,374	13,990
Payson	108,500	15,430	South Tucson	39,589	5,630
Star Valley	14,106	2,006	Tucson	3,725,215	529,770
Winkelman	3,115	443	<b><u>Pinal County</u></b>		
<b><u>Graham County</u></b>			Apache Junction	239,572	34,070
Pima	15,343	2,182	Casa Grande	228,321	32,470
Safford	65,817	9,360	Coolidge	57,520	8,180
Thatcher	31,995	4,550	Eloy	78,228	11,125
<b><u>Greenlee County</u></b>			Florence	144,362	20,530
Clifton	18,254	2,596	Kearny	15,814	2,249
Duncan	5,710	812	Mammoth	12,390	1,762
<b><u>La Paz County</u></b>			Maricopa	112,044	15,934
Parker	23,064	3,280	Superior	22,881	3,254
Quartzsite	25,314	3,600	<b><u>Santa Cruz County</u></b>		
<b><u>Maricopa County</u></b>			Nogales	153,503	21,830
Avondale	487,695	69,356	Patagonia	6,469	920
Buckeye	178,649	25,406	<b><u>Yavapai County</u></b>		
Carefree	25,905	3,684	Camp Verde	75,451	10,730
Cave Creek	33,513	4,766	Chino Valley	86,666	12,325
Chandler	1,623,246	230,845	Clarkdale	25,877	3,680
El Mirage	225,445	32,061	Cottonwood	76,365	10,860
Fountain Hills	172,222	24,492	Dewey-Humboldt	28,338	4,030
Gila Bend	13,923	1,980	Jerome	2,320	330
Gilbert	1,248,447	177,544	Prescott	286,685	40,770
Glendale	1,704,280	242,369	Prescott Valley	236,091	33,575
Goodyear	324,959	46,213	Sedona	76,892	10,935
Guadalupe	39,061	5,555	<b><u>Yuma County</u></b>		
Litchfield Park	31,840	4,528	San Luis	161,238	22,930
Mesa	3,150,903	448,096	Somerton	68,560	9,750
Paradise Valley	97,481	13,863	Wellton	13,853	1,970
Peoria	971,388	138,143	Yuma	627,978	89,306
Phoenix	10,377,709	1,475,834			
Queen Creek	115,419	16,414			
Scottsdale	1,650,720	234,752	<b>TOTAL</b>	<b>\$34,207,370</b>	<b>4,864,696</b>

**TABLE 4**  
**County Tax Collections**  
**September 2008**

	Road	Excise	Jail	Rental Car	Stadium	RV Surcharge	Hospital/ Health Svc	Capital Projects	Sports & Tourism Authority
<b>Apache</b>		\$ 122,398							
<b>Cochise</b>		\$ 600,313							
<b>Coconino</b>		\$ 1,177,745	\$ 1,176,479					\$ 294,024	
<b>Gila</b>	\$ 304,796	\$ 297,368							
<b>Graham</b>		\$ 210,259							
<b>Greenlee</b>		\$ 190,088							
<b>La Paz</b>		\$ 74,734	\$ 74,734				\$ 13		
<b>Maricopa</b>	\$ 28,616,599		\$ 10,481,047	\$ 429,433	\$ 56				\$ 1,270,882
<b>Mohave</b>		\$ 597,691							
<b>Navajo</b>		\$ 579,648							
<b>Pima</b>	\$ 5,772,682			\$ 115,161		\$ 9,179			
<b>Pinal</b>	\$ 1,404,214	\$ 1,370,207					\$ 270,600		
<b>Santa Cruz</b>		\$ 266,947	\$ 266,598						
<b>Yavapai</b>		\$ 1,215,149	\$ 607,575						
<b>Yuma</b>		\$ 951,120	\$ 951,123				\$ 189,588	\$ 675	